

C. DUKES SCOTT  
EXECUTIVE DIRECTOR

P.O. Box 11263  
Columbia, S.C. 29211



DAN F. ARNETT  
CHIEF OF STAFF

Phone: (803) 737-0800  
Fax: (803) 737-0801

JOHN W. FLITTER  
DIRECTOR  
ELECTRIC & GAS REGULATION

September 19, 2005

Charles L.A. Terreni, Esquire  
Chief Clerk & Administrator  
Public Service Commission of South Carolina  
101 Executive Center Drive  
Columbia, South Carolina 29210

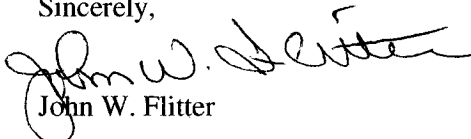
Re: Docket No. 2005-120-E – Progress Energy Carolinas, Inc. Application for Approval of the Transfer and Sale of Property in North Carolina.

Dear Mr. Terreni,

This is to inform the Public Service Commission that the Office of Regulatory Staff has reviewed the modification to the above referenced matter and based on the following we have no objection to Progress Energy Carolinas, Inc. ("Company") transfer and sale of this property located in Wilmington, North Carolina. The property site includes operations that have been consolidated and relocated to other Company facilities thereby rendering this property vacant and surplus and therefore no longer required for the Company's current utility operations. The property consists of 10.81 acres originally purchased as part of an 11.78 acre parcel in 1973 and improved with the addition of three buildings and a parking area. The property was previously used for general office purposes, repair and maintenance of trucks and other Company vehicles and storage of equipment and materials. The property was advertised for sale for approximately 45 days and the Company has now entered into a contract with the highest remaining bidder to sell the property for \$3.125 million. It is our understanding that the original high bidder exercised his option to terminate the deal due to uncertainty about the allowed use of the property. The Company asserts that re-marketing would not produce any higher offers and therefore is unnecessary. This new sale price continues to be in excess of both the book and appraised values. The depreciated book value of the property is \$1,101,064 and it has a market appraisal value of between \$2.16 and \$2.7 million. The net proceeds will be recorded under FERC Account No. 421.1, Gain on Disposition of Property.

Thank you for the opportunity to provide our comments in this matter.

Sincerely,

  
John W. Flitter

JWF/swb

cc: Dan F. Arnett, Chief of Staff, SC ORS  
Florence Belser, General Counsel, SC ORS  
Len S. Anthony, Deputy General Counsel-Regulatory Affairs PEC  
Dr. James Spearman

